

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1202

H. P. 913

House of Representatives, February 28, 1973

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. McNally of Ellsworth.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT to Provide Trade-in Credit for Mobile Equipment under the Sales
Tax.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., T. 36, § 1752, sub-§ 6-A, additional. Section 1752 of Title 36 of the Revised Statutes, as amended, is further amended by adding a new subsection 6-A to read as follows:

6-A. Mobile equipment. "Mobile equipment" shall mean every vehicle not designed or used primarily for the transportation of persons or property and incidentally operated or moved over the highways, including construction or maintenance machinery, ditching apparatus, stone crushers, air compressors, power shovels, cranes, graders, rollers, well-drillers and wood-harvesting equipment. This enumeration shall be deemed partial and shall not exclude other such units which are within the general terms of this section.

Sec. 2. R. S., T. 36, § 1765, amended. Section 1765 of Title 36 of the Revised Statutes, as reenacted by section 1 of Section G of chapter 154 of the private and special laws of 1969, is amended to read as follows:

§1765. Trade-in credit for vehicles

When one or more motor vehicles or farm tractors or units of mobile equipment are traded in toward the sale price of another motor vehicle or farm tractor or unit of mobile equipment, the tax imposed by chapters 211 to 225 shall be levied only upon the difference between the sale price of the purchased motor vehicle, or farm tractor or unit of mobile equipment and the sale price of the motor vehicle or vehicles or farm tractor or tractors or unit

or units of mobile equipment taken in trade, except for transactions between dealers involving exchange of farm tractors or motor vehicles **or mobile equipment** from inventory.

FISCAL NOTE

Information received from the principal dealers in such types of mobile equipment in Maine indicates that passage of this bill would result in a loss of less than \$100,000 each year in sales tax revenue.

STATEMENT OF FACT

The purpose of this bill is to provide trade-in credit in the computation of sales tax on the sale of "mobile equipment" as defined in the bill.

The discriminatory aspect of the existing law, which allows such tax credit in the sale of automobiles, farm tractors and trucks, is considered to be unjust. There is little difference in the use and purpose of trucks and farm tractors as compared with the types of "mobile equipment" listed in the proposed bill. Most are used for business purposes, some are used on the highways, some are for off-highway usage.